3:Kemeny G-5 (1945-48)195 EC1 Hungary EC1



eager both to reconstruct their plants and to restore their former international connexions. At that time it did not yet seem dangerous either for business men or for politicians to cultivate Western contacts.

As to the structure of Hungarian society, roughly half of the population was before the war dependent on agriculture, one-quarter was engaged in mining, manufactures, and handicrafts, and about 10 per cent in commerce, banking, and communications.[1] Under the impact of post-war developments important changes took place within the various social groups. Yet the proportion of agricultural population had hardly changed to an appreciable extent until 1947.[2]

The structure of agriculture had been radically changed by the land reform of 1945 which limited agricultural holdings to the size of 100 and in certain defined cases to 200 yokes (140—280 acres). Some 1,500 big and mammoth estates and a considerable number of medium-sized holdings (200 to 1,000 yokes), roughly 30 per cent of the cultivated area, were transformed into small units. Property was assigned to 370,000 landless labourers while some 270,000 dwarf lots were enlarged.

The dislocation consequent on this sudden change in structure was not overcome during the two years that elapsed between the land reform and the Three-year Plan of 1947. The process of implementing the reform by providing the new farmers with the requisites for the economic cultivation of their holdings, was at its very initial stage. Some expedients of mutual assistance among the farmers were evolved to meet the shortage of machinery and draught animals. The lack of livestock was an aftermath of the war, stock-raising being the part of the economy which had suffered most heavily from the war. Animal husbandry had been a fairly well developed branch of farming in pre-war Hungary. It was mainly due to this fact permitting a more plentiful use of manure that average yields per acre in agriculture were higher than in other countries of South-eastern Europe. Reduced livestock, the reconstitution of which could but be gradual, meant lower agricultural output, and the insufficient supply of implements and machinery caused a setback in the mechanization of agriculture, which, in any case, in view of cheap labour, had made little progress even before the war.

In manufacturing industry new forms of industrial relations in public and private concerns had to be adopted. The position of the trade unions was substantially strengthened. Collective

[1] See further details on the census of 1941 in the Appendix, Table II.

[2] The first post-war census applies to the end of 1948. No figures were released, however, except some details on small-scale industry and commerce.

3:Kemeny G-5 (1945-48)1952 EC1 Hungary EC1



464

TABLE II

LABOUR

*Labour Force (yearly averages)*

| | *1938* | *1946–7* | *1947–8* | *1949* |
|---|---|---|---|---|
| Mining, metallurgy | 41,500 | 59,000 | 61,000 | 67,000 |
| Manufactures | 288,500 | 250,000 | 291,000 | 382,000 |

465

*Wages*

*Average daily earnings in Mining and Manufactures (in forint)*

| *Quarter to* | *1946* | *1947* | *1948* |
|---|---|---|---|
| March | — | 12·90 | 18·20 |
| June | — | 14·96 | — |
| September | 10·14 | 17·89 | — |
| December | 12·26 | 17·80 | — |

*Average hourly earning in Manufactures (in forint)*

| | |
|---|---|
| October 1946 | 1·29 |
| Average 1946–7 | 1·70 |
| Average 1947–8 | 2·71 |
| August 1948 | 3·07 |
| July 1949 | 3·50 |

DISTRIBUTION OF OCCUPATIONS

*Census 1941*

162
463

| | *Working Population* | | *Non-earning Population* | | *Aggregate* | |
|---|---|---|---|---|---|---|
| | *Thousands* | *% of Total* | *Thousands* | *% of Total* | *Thousands* | *% of Total* |
| Agriculture and forestry | 2,154 | 47·8 | 2,383 | 49·5 | 4,538 | 48·7 |
| Mining, metallurgy | 55 | 1·2 | 111 | 2·3 | 166 | 1·8 |
| Industry | 1,057 | 23·5 | 1,142 | 23·7 | 2,199 | 23·6 |
| Commerce and banking | 260 | 5·8 | 256 | 5·3 | 516 | 5·5 |
| Communications | 140 | 3·1 | 234 | 4·9 | 374 | 4·0 |
| Civil service and professions | 230 | 5·1 | 242 | 5·0 | 472 | 5·1 |
| Armed forces | 128 | 2·8 | 30 | 0·6 | 158 | 1·7 |
| Domestic servants and casual workers | 201 | 4·5 | 51 | 1·1 | 252 | 2·8 |
| Rentiers and pensioners | 200 | 4·5 | 186 | 3·9 | 386 | 4·1 |
| Not specified | 77 | 1·7 | 176 | 3·7 | 253 | 2·7 |
| Total | 4,505 | 100·0 | 4,815 | 100·0 | 9,320 | 100·0 |

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1



materials—in particular, far the greater part of her timber—with the factories sited near them, while leaving the bulk of the finishing industries inside the new frontiers. The only important raw material of which the majority was left inside Trianon Hungary in 1920, was coal, the chief mines of which were near Pécs, in Southern Hungary.

Hungarian industry was thus largely back in its old position of dependence on imported raw materials, which had to be paid for with the proceeds of exported agricultural produce. Something was done to remedy this by developing further local raw materials. The most important of these is bauxite, of which Hungary possesses very large deposits. Oil was also discovered near the Croatian frontier, and a not inconsiderable production was developed. In other cases, however, almost the whole of the materials had to be imported. These industries have suffered severely since the outbreak of war.

According to recent figures, the industrial group employing the largest number of hands (nearly 64,000), was the textile. After that came the iron and metallurgical industry, with 50,000, the machine industry with 40,000 and the foodstuffs industry with 34,000; the value of the production of this last group was much the highest of all. Other works employing a considerable number of hands were the glass and chemical industries, those utilizing wood and bones, the brickworks and the tanneries.

**SMALL COMMERCIAL INCOMES.** The whole structure of Hungarian life is still much simpler and less

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1



463 highly developed than that of a Western country. Moreover, Hungary has little carrying or transit trade, since the materials which pass across her territory between Germany and the Balkans require little transhipping or handling en route. Thus a much smaller proportion of the population is engaged in trade or banking than in England and the proportion occupied in providing pleasures or amenities is also small. The armed forces and the civil service, of course, have taken their share of 565 manpower. Outside the very small class of great land- [454] owners, and an equally small group of big bankers and industrialists, few Hungarian families have been able to accumulate much money, and few Hungarians are able, or care, to save much during their working life. Thus the class, which is so numerous in England, of well-to-do families living on the capital accumulated by their forefathers, is almost entirely absent in Hungary. There were, [451] indeed, a great number of pensioners after 1920, when the Government gave pensions to the civil servants evicted from the successor states. But what the Government could afford them was little enough. They are dying out, and their children are at work.